



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
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Northeast Georgia Bank, Lavonia, Georgia, Acquires All of the Deposits of Freedom Bank of Georgia, Commerce, Georgia

Freedom Bank of Georgia, Commerce, Georgia, was closed today by the Georgia Department of Banking and Finance, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Northeast Georgia Bank, Lavonia, Georgia, to assume all of the deposits of Freedom Bank of Georgia.

The four offices of Freedom Bank of Georgia will reopen on Monday as branches of Northeast Georgia Bank. Depositors of Freedom Bank of Georgia will automatically become depositors of Northeast Georgia Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers of both banks should continue to use their existing branches until Northeast Georgia Bank can fully integrate the deposit records of Freedom Bank of Georgia.

Over the weekend, depositors of Freedom Bank of Georgia can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of March 4, 2009, Freedom Bank of Georgia had total assets of approximately \$173 million and total deposits of \$161 million. In addition to assuming all of the deposits of the failed bank, Northeast Georgia Bank agreed to purchase approximately \$167 million in assets at a discount of \$13.65 million. The FDIC will retain the remaining assets for later disposition.

The FDIC and Northeast Georgia Bank entered into a loss-share transaction. Northeast Georgia Bank will share in any losses on approximately \$96.5 million in assets covered under the agreement. The loss-sharing arrangement is projected to maximize returns on



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-37-2009

the covered assets covered by keeping them in the private sector. The agreement is expected to minimize disruptions for loan customers as they will maintain a banking relationship.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-866-782-1897. The phone number will be operational this evening until 9:00 p.m., EST; on Saturday from 9:00 a.m. to 6:00 p.m., EST; on Sunday from noon to 6:00 p.m., EDT; and thereafter from 8:00 a.m. to 8:00 p.m., EDT. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/freedomga.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund will be \$36.2 million. Northeast Georgia Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's Deposit Insurance Fund compared to alternatives. Freedom Bank of Georgia is the seventeenth FDIC-insured institution to fail in the nation this year. The last bank to fail in Georgia was FirstBank Financial Services, McDonough, on February 6, 2009.